SECRETARY: The title of the Bill shall be The Travancore Bankers' Books Evidence Bill.

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram 'cum Shencotta*): I wish to make one observation. So far as the principle of the Bill goes, I am in agreement with it. The definition of the expression 'Bank', occuring in the Bill, does not include the Travancore Credit Bank. According to that definition, it is only banks registered under our Companies Act that will be banks under this Bill and will be entitled to claim the privileges under this Bill.

PRESIDENT: Your point is that since the Credit Bank was brought into being under a special legislation, it will not come under this Bill?

MR. CHATTANATHA KARAYALAR: Yes, Sir. I suggest therefore, that the definition of the word 'bank' should be amended so as to include within its scope 'The Travancore Credit Bank' also.

MR. PUTHUPALLI S. KRISHNA PILLAI: That matter will be attended to.

I beg to move that the Bill be referred to a Select Committee consisting of –

Messrs E. Subramonia Aiyar,
Kainikkara M. Padmanabha Pillai.
M. Sivathanu Pillai,
T. C. Kesava Pillai,
Sahib Bahadur M. K. Mackar Pillai,
Messrs. Mathai Chemparathi,
Kumaran Vydian,
E. E. Pandarathil,
Kunjukrishnan,
Whiteley Tolson, and
myself.

MR. V. R. SANKARANARAYANA PILLAI: I second it.

MR. PUTHUPALLI S. KRISHNA PILLAI: The Committee will submit its report within two months.

ADJOURNMENT MOTION.

MR. KAINIKKARA M. PADMANABHA PILLAI: I beg leave to move the Adjournment of the business of this House to discuss a definite matter of urgent public importance namely the increasing hardship and helplessness caused to Travancoreans, already suffering from the dumping of Ceylon copra and the imposition of prohibitive import duties on several Travancore goods, by the recent ban imposed in the immigration of unskilled Indian labour into Ceylon and the disbanding of daily paid workers in Ceylon Government service.

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[Mr. Kainikkara M. Padmanabha Pillai.]

Sir, an A. P. I message from Colombo dated July 31 reads as follows:

"It is understood that the Government of India will be imposing a ban on Indian immigration to Ceylon with effect from tomorrow and the Ceylon Government have just been notified the decision by telegram. According to the ban, from tomorrow no Indian belonging to unskilled working classes will be allowed to cross to Ceylon without the special permission of the Government of India. About 800 Indian daily-paid workers will be retired from Government service from today. It is understood that railway warrants, bonuses etc., have all been arranged to enable these people to leave for India."

Two interpretations are possible about the action taken by the Government of India. One is that the measure is intended as a retaliatory measure to bring pressure on the planters in Ceylon who depend upon Indian labour for the successfull working of their plantations and through the planters to bring an indirect pressure on the Ceylon Government. The Ceylonese seem to have put this interpretation on the action but are not alarmed, in the words of the 'Colombo Observer.' On the other hand it might be taken to be a measure purely to safeguard the Indian labourers.

The A. P. I. message from Simla dated August 1, supports this view. It states that " the intension is to prevent Indian labourers continuing to flow into Ceylon under conditions which make it certain that they will be stranded there. " In any event this measure will not touch even the fringe of the problem confronting us and as it stands will only add to our difficulties by shutting yet another door. The British Indian politicians and the Government of India have all along been very reluctant to take effective steps for the purpose of protecting the vital interests of Travancore against the inequitous competition by Ceylon. Travancore has been making repeated representations for several years for enhancing the import duty on copra, but neither the British Indian politicians nor the Government of India have apparently taken the matter seriously. Sir, at this point I might be permitted to pause for a moment and speak in some detail on the cocoanut problem that confronts us.

The total acreage of cocoanut cultivation in India is 14 lakhs of which 5,77,000 acres is in Travancore. The investment on cocoanut cultivation in India is estimated between Rs. 85 crores and Rs. 150 crores. Thus, it might be seen that Travancore has invested between 35 and 62 crores of rupees on cocoanut cultivation. This is not made up of big investments by speculators intent upon large profits, but is made up of the investments of a vast number of small landholders who depend entirely on the produce of the cocoanut for their daily existence. As the Dewan remarked in his statement at the Joint Session, in Travancore " the production of cocoanut is intrinsically and solely a cottage industry. Each poor man with his backyard or field of half an acre or an acre owns a few trees and out of the proceeds of these he expects to fill that gap of livelihood between necessity and starvation. " It is this industry that is threatened to be ruined by the unfair competition from Ceylon.

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What is the nature and extent of this competition from Ceylon ? I give below a statement showing the import of cocoanut produced from Ceylon for some years past.

Year.	Nuts.	Copra cwts.	Oil cwts.	Total cwts. in terms of copra.
1930	9,50,000	1,355	1,27,000	1,73,000
1931	12,62,000	22,000	1,89,800	3,44,000
1932	69,22,000	2,85,000	5,14,000	11,73,000
1933	31,20,000	4,75,000	3,51,000	10,74,000
1934	62,15,000	6,53,000	4,16,000	12,73,000
1935	77,41,000	7,24,000	2,50,000	11,74,000
1936	77,98,000	9,88,000	1,92,000	13,44,000
1937	20,37,000	9,56,000	2,25,000	13,41,000

The figures for 1937 are the latest data I have got. Thus it will be seen that the total import in terms of copra that stood at 1,73,000 cwts. in 1930 rose to 13,41,000 in 1937. There was some demand for cocoanut produce in European markets during a few months in 1937 and therefore there was a small fall in the import into India. By 1938 if has again gone up.

As a result of this competition the price of copra per candy of 645 pounds which stood at Rs. 138 in 1929 has fallen to Rs. 72-14 as in 1936. As stated above, in 1937 Ceylon got a chance of exporting some of its cocoanut produce to foreign markets and the price rose to Rs. 73 in April 1937, but again fell within 12 months to Rs. 37 in April 1938.

This has increased our agricultural indebtedness. This has upset the economic equilibrium. This has weakened our purchasing power and impoverished the country in general. It will be seen that the consumption of kerosene oil in 1929-30 in Travancore was worth Rs. 61,32,000 but it fell in 1936 to Rs. 28,64,000. The value of cotton goods imported in 1929-30 was Rs. 14,90,000. In 1936-37 it was Rs. 71 lakhs, that is to say, just 50 per cent. On the other hand, it will be noticed that the arrears in land revenue rose from Rs. 1,11,000 in 1929-30 to Rs. 7,84,000 in 1636-37 and the arrears in agricultural loan rose from Rs. 78,000 in 1930-31 to Rs. 5,54,000 in 1936-37.

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This state of affairs can be remedied only by the imposition of a specific enhanced import duty on the cocoanut produces imported into India. We have been demanding that there must be a minimum import duty of Rs. 100 per ton. The imposition is thoroughly justifiable because Ceylon is selling cocoanut products in India at a distress price. It is seen that on the 27th of June 1938 the average price at Colombo for a ton of Copra was Rs. 99 The actual cost of export from Colombo to Bombay works up to Rs. 61 per ton. Therefore, the total landed cost at Bombay comes to Rs. 160 per ton. But copra was actually sold at Bombay at Rs. 137, thus Ceylon incurring a loss of Rs. 23 per ton on their exports to India. This is what we mean by selling things at a distress price. It will also be seen that large cocoanut plantations in Ceylon owned by big companies and big capitalists have not given any dividend during the past several years.

An objection that is raised against the enhancement of import duty is that the cocoanut produce in India cannot meet the demand in India. India produces about 120 varieties of oil seeds and nuts and exports nearly a million tons of oil. Therefore, it is apparently wrong to say that India is in need of oils. The only valid argument can be that India is in need of cocoanut oil. Cocoanut oil is used for commercial purposes mainly in making high-class soaps and it is used illegally for adulterating ghee. These are the two broad lines in which cocoanut oil is being used in India on a commercial scale. The fact therefore is not that India is not self-sufficient in cocoanut but that by offering cocoanut oil at a very cheap price an artificial interest and attraction has been created in the market for cocoanut oil. If cocoanut oil is available at a price at which cheaper oils can be obtained, certainly persons go in for cocoanut oil. That is what has been done in India and the result is that the cocoanut oil is used not only for legitimate purposes but also for illegitimate purposes.

Again, as I pointed out above, from January to May 1937 Ceylon got a profitable market in Europe and Canada. They exported a large portion of their goods to these countries. The import into India dwindled and yet we heard of no scarcity of cocoanut oil or copra in India. That clearly shows that the demand is something that is artificial.

Again, Sir, in 1931, the total import in terms of copra was 3,44,000 cwts. Next year it was 11,73,000. It is impossible to believe that any reasonable or legitimate expansion of industry in India could necessitate a sudden leap from 3,44,000 to 11,73,000 cwts, in one year. Thus, it will be clearly seen that there is demand for cocoanut oil merely because cocoanut oil is placed at the door at a price even cheaper than that of the lowest varieties of oil.

Another objection that is raised against the enhancement of import duty is that Ceylon might retaliate. It is pointed out that the balance of trade is to the advantage of India. First of all, it has to be borne in mind that exports from India for consumption in Ceylon amounted in 1933-34 to 1·94 crores, while exports under goods which are re-exported from Ceylon amounted to Rs. 3·83 crores. Therefore out of 5·77 crores, 3·8 crores worth of articles were exported from India to Ceylon to be re-exported from Ceylon to other places and 1·9 crores

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of rupees worth of articles alone were exported to Ceylon for consumption by the Ceylonese. Moreover, it is not realised that India in importing goods from Ceylon worth about Rs. 15½ millions, gives preference to 96 per cent of the Ceylon goods imported to India whereas Ceylon in importing Indian goods worth Rs. 46 millions gives preference only to 40 percent. Against the 96 per cent. preference given by India we obtain only 40 per cent. That is less than half. And, atter all, if it is really a question of commercial retaliation, what is the relative position ? The export from India to Ceylon is 1·5 per cent. of our total exports. The import into India from Ceylon is 6 per cent. of the total export. That means that the export trade of Ceylon to India is four times the proportionate export from India to Ceylon and ofcourse we can believe that the Ceylonese know sufficient arithmetic to try this experiment.

A third criticism raised against the suggestion is that the Travancore Government is imposing an export duty on cocoanut produce.

PRESIDENT : That argument, I think, was advanced mainly by our own representative who was in Simla.

MR. KAINIKKARA M. PADMANABHA PILLAI : Yes, Sir. It is rather unfortunate to note that even several of the Travancore worthies consider that a serious obstacle in the enhancement of import duty. The reason for continuing the export duty has been explained by the Dewan in the statement issued in the Joint Session and he has told us that the moment the Interportal Trade Convention can be revised to our advantage he will abolish the export duty forthwith. But even apart from it, the comparative incidence of taxation per acre, including the export duty on cocoanut produce in Travancore is found to be lighter than in Malabar or Cochin. Cochin does not impose an export duty. The comparative incidence of taxation per acre stands as follows · Travancore Rs. 9-3-1½ ps. (including export duty) ; Malabar—Rs. 9-8-0 and Cochin Rs. 9-6-0.

The Government of India have not merely afforded no protection to the legitimate interests of the cocoanut cultivator in Travancore but have quite passively watched Ceylon imposing an exhorbitant and prohibitive import duty on several Travancore produces, such as eggs. The poor cultivator in Travancore has been ruined and pushed down to the rock bottom of penury even by the importation of copra. And then some of the most important produces that are exported from Travancore have been prohibitsd by import duties in Ceylon. The duty on 100 eggs is Rs. 3 ; on fish Rs. 2 per cwt. ; on ginger Rs. 5 per cwt. ; on vegetables Rs. 2 per cwt. This has practically extinguished the trade in these articles for Travancore. This matter was brought to the notice of this Assembly by means of an adjournment motion moved on the floor of this House, but even though it is six years since the duty was imposed, we have had no relief even on that point.

On the top of it all comes the new scheme of repatriation. With the explicit purpose of avoiding misunderstandings and misrepresentations the Governor of Ceylon has himself analysed the scheme and given it in 12 clear cut points. He says that there is no cumpulsory repatriation. He says that Government are merely giving passage money and retirement bonus to such daily paid employees who might

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[Mr. Kainikkara M. Padmanabha Pillai]

apply for them on discharge or retirement. So far, so good. The termination of services of non-Ceylonese before those of Ceylonese is said to be a principle of retrenchment, and bonuses were offered to those non-Ceylonese who voluntarily agreed to retire this year to avoid the risk of retrenchment. It is also stated that the discharge under special law is but the application of the rights of an employer. Thus, the voluntary repatriation is a choice between leaving for India now with the passage money and a bonus, and rotting in Ceylon as a result of the discharge under special law or discriminatory retrenchment against Indians. That is our position.

As I have stated in the adjournment motion, our position is hard and apparently helpless. We have been complaining for the last many years and with no result. At the same time what do we find in the case of other produces? The rubber cultivation which is only one-tenth of the cocoanut cultivation and so also tea, have been protected by restrictive rules. They say the demand for cocoanuts is greater than the supply. That is a wrong statement. But the demand for wheat is really greater than the supply and yet wheat is protected. Cotton goods, yarn and several other articles produced in British India have been protected by duties and we are also paying the price for it through indirect taxation. Why? Even in the question of repatriation we find the British Indian politicians and the British Government moving, because it affects some people in British India. The question of repatriation has not affected as many persons as our cocoanut problem. Yet what do we find? When questions concerning the financial interest of British India comes up, the objections that are raised against the enhancement of import duty on copra does not weigh with the Government of India or with the British politician. We have been sending deputations both official and non official and they have been meeting officials and non-officials. Even now the British Indian Politicians say that it is not possible to mix up the question of copra with repatriation. Repatriation touches the British Indian people more than the question of copra. Sir, I think we have waited long patiently. We have brought repeated motions on the floor of this House. We have submitted repeated memorials to Government. And the Government have made several attempts to remedy the situation, but with no result. That is the reason why I have stated that our position seems helpless.

It is high time for you to tell us whether our position is helpless, whether the one country that is importing the greatest percentage of Jaffna tobacco should passively submit to these repeated attacks. Travancore has taken practically cent per cent. of Ceylon's out-put of tobacco despite the fact that Ceylon has put an extraordinary protective duty on Travancore eggs. We have been receiving sledge hammer blows one after another, and even then with an international spirit rarely found in the present century we have refrained from taking any action to combat it. We want you to tell us whether your representations to the Government of India are going to bring us any appreciable

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improvement in the situation in the near future. We want you to tell us whether the Travancore Government can do anything by itself. Ofcourse an apparant suggestion is that we should increase the import duty on Jaffna tobacco. One might ask the question whether it would not a little bit affect the income of Travancore It is true that a certain percentage of the people have a particular liking for Jaffna tobacco but when once Jaffna Tobacco is prevented from entering into Travancore, those persons will take to Coimbatore tobacco. I can quote a parallel in this connection. A few years ago we heard the honourable members of the House complaining against Travancore salt and saying that they should get the Bombay salt for consumption. The Government took a decisive step in that matter. What do we find now. Those persons that were accustomed to the use of Bombay salt, had to use Travancore salt only. Has that brought any complaint now. No. In the same manner persons who are habituated to use only Jaffna tobacco will certainly desist from using it once it is prevented from entering our country. It is all question of what one gets himself accustomed to.

Therefore, Sir, if it is not possible for the British Government to move effectively, and give us some relief in the near future, if it is not possible to create any sympathy in the minds of the British Indian public in our favour, we would request the Travancore Government to take decisive steps in at least prohibiting the import of Jaffna tobacco by impossing the maximum duty which is in the power of this Government. Let us have relief. If not relief let us have at least vengeance. That is the demand from the public.

I will put one word more. For the last several years we have been placing this matter before Government and they have been moving in the matter. The people by themselvns have not done anything. The people of Travancore can boycott Jaffna tobacco. The people have not resorted to that course. That is a step which is within our province and power. We have not done it, not because we are promoted by altruistic motives towards the Ceylonese or towards the Bombay Mill owners, but because we did not want to embarass the Travancore Government. If we do not find any hope from British Government, from the British Indian public or from Ceylon, and if we find the Travancore Government are afraid of moving, I ask, is it not necessary for us to take some steps ourselves. Is it not time we launch on a campaign of boycott of Jaffna tobacco and the Bombay piece goods?

Therefore I request you to give us an encouraging and soothing reply by assuring us some relief in the near future. We demand some solution either by the action of the Government of India or by direct action by the Government of Travancore.

MR. T. C. KESAVA PILLAI: Sir, I beg to second the motion that is placed before the House. A similar motion to safeguard the interest of the cocoanut grower in regard to the products of cocoanut was once discussed in this House and certain arrangements were made by Government. The Economic Development Board in the course of their proceedings also passed a resolution to that effect and that was forwarded

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[Mr. T. C. Kesava Pillai]

to Government for necessary action. Our Goverment approached the Imperial Government and requested them to improve the position of the cocoanut grower in Travancore. Unfortunately, the request fell on deaf ears. Now the Travancoreans have to face a difficult situation so to say. There is dumping of cocoanuts into India, not only from Ceylon but from Java, Sumatra etc. But on account of the facility rendered to the Ceylon Exporter, cocoanut and its products are dumped into British India in an increasing measure. In that way Travancore cocoanuts do not find a market elsewhere. Added to that our cocoanuts are affected by pests. On that account, there is less yield from cocoanut trees. So then, there are two distinct disadvantages for a Travancore producer. One is that there is no outside market for his cocoanut and secondly there is no yield from his cocoanut trees. In other words, there is deterioration in the number of nuts coupled with imports of nuts from foreign countries.

Before the dumping of copra from Ceylon into British India, the Travancore cocoanut producer was getting the full advantage for his products. Now the reverse is happening. The cocoanut producer is ruined. Hereafter, with the introduction of legislation, in Travancore those who possess a licence alone could deal in cocoanuts and thus cocoanut products coming from Ceylon would be treated as contraband articles. This is the recommendation made by the Economic Development Board. This provision helps the Travancore producer greatly. Regarding the export of eggs, animals, punnac, etc., a prohibitive duty has been imposed on Travancore goods. In all exports practically, the Travancore producer is hit hard. The anology of a parent feeding his children alone is applicable to the Travancore Government towards dealings with the Travancore producers.

Ceylon is much smaller than Travancore in natural resources. Our country is rich enough in her materials. Many important articles are exported from Travancore. In the same way there are some imports into Travancore chillies come from Bengal, lime comes from Kadayan. Like that there is the Jaffna tobacco coming from Ceylon. We have ample opportunities of telling the Ceylon Government to be reasonable in their imposition of duties on Travancore products. If our telling the Ceylon Government has not produced desirable results we must take retaliatory measures against their goods. Only in that way lies a remedy.

Again there are excellent sea ports in Travancore. There is the Leepuram Port; Coalchel Port and the Trivandrum Port. These places can be developed into harbours. In other words there are deep water anchorages fairly close in shore at all important ports, especially at Trivandrum and Colachel. Therefore, no piloting to moorings is necessary. Further the ports of Travancore are favourably situated to all trade route between the European Continents on the one hand and the Far East on the other. Why not our Government develop those places into harbours. Why do we require mediators or brokers either

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for selling our piece goods or for the cocoanuts. We have ample finances. The importance of Colombo is mostly to its trade and if some important port receives such goods the prominance of Colombo would come for Travancore ports and affect the Tutucorin Port. We have a good acreage of the puduval lands. We have a good system of irrigation such as no other country possesses.

Then there are minerals such as, monozite, ilminite, sillimini te, limestone, mica, graphite etc., in abundant measure and on investigation it is found that will bring wealth to this land. In every way our country is rich in men and material. We can impress on Ceylon our wants. We must make them understand that we do not want to take extreme measures. It is within our might to make Ceylon amenable to reasonable request. Why not our Government find ways and means to bring about that state of affairs. Then we have our transport system. There are easy and cheap means of communication to Tinnevelly and other neighbouring Districts. Our country is rich in forest resources. So far as production of electricity goes, there are Hydro Electric Projects which are nearing completion. There is every convenience in our State to produce power in any quantity at a very cheap cost. In regard to fish and its products, there is the provision of Cold Storage, to see that fish and its products are kept safe for any periods Again why should we take foreign licenses for our cocoanuts. We can sell them I mean the tender cocoanuts at one Chuckram per cocoanut in our land to substitute for soda and lemonade.

Industrially and materially, our country has immense resources. Under the guidance of our enlightened and able Dewan, I trust, ways and means must be found out forthwith to remove the ban on Travancore goods in Ceylon and other places. With these remarks I strongly support the motion.

MR. M. L. JANARDHANA PILLAI: Sir, I have very great pleasure to support the adjournment motion so ably moved by my friend Mr. Padmanabha Pillai. In his survey of the subject, he has covered the whole ground, by quoting facts and figures and he has shown how the cocoanut grower in Travancore, or Cochin or Malabar is in a very disadvantageous position ever since it has become possible for Ceylon to dump her copra and cocoanut oil into Indian Markets. In this connection, Sir, it may be interesting for this House to know that there was a powerful organisation at work that was responsible in the past for securing a considerable reduction in the freight between Ceylon and Bombay, an advantage which no other country can immediately offer itself. If you go deeper into the matter, you will know that the number of steamers engaged for the transport of copra from Ceylon to Bombay had been on the increase and it passes ones understanding how a low rate of freight, was secured particularly with regard to refund rebates. That particular aspect has to be noted. When it is remembered that Ceylon's representative in India, I mean Mr. Khanddewalla was going about in the Bombay Presidency for developing the trade in Ceylon copra and oil simultaneously, and rebate on freight was also freely

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[Mr. M. L. Janardhana Pillai]

allowed; there is something more than what appears on the surface. That state of affairs is not ordinarily an advantage brought about by mere trade conditions but by something more. We are no doubt in an unfortunate position. We are faced with an unfortunate competition from an area which has produced larger output of copra than ours but also backed up by considerable resources directly from commercial agencies in India and from some hidden agency in Ceylon. At the same time there is another unfortunate aspect, namely, that we are not able to enlist the sympathy of the British Indian public. For obvious reasons they (British Indian public) are not prepared to come forward openly and argue the case of the Malabar or Cochin or Travancore cocoanut grower. It was even published two days ago in the press that the tendency on the part of British Indian politicians appears to be not to offend the Ceylon cocoanut grower or the Ceylon Government for the simple reason that they do not want their own trade with Ceylon to be affected. That clearly shows the attitude of the people of that country. We have to realise the fact that we have to look up for help and guidance only to the Travancore Government and not to any extraneous agency as it is now evident from the various speeches made by British Indian politicians. Recently an official connected with the Indian National Congress put forward that as his view.

PRESIDENT: Does not honorable member know for certain that a representative of the Indian National Congress aired such a view? I think he might have declined to air his view.

MR. M. L. JANARDHANA PILLAI: In fact Mr. Acharya Kripalani has published a statement to the effect that India is not prepared to offend the feelings of Ceylon Government even in regard to repatriation.

PRESIDENT: I do not think the statement could be so specific like that. A member of that organisation might have said that the Congress could not do any thing in the matter.

MR. M. L. JANARDHANA PILLAI: So, my submission is that if we want our cocoanut industry to be protected, consistently with the interests of Travancore, as our experience in regard to export of eggs and other produce shows, we have to take immediate action. There is no chance of our expecting any help from outside quarters. It was also pointed out in the 12 statements issued by the Governor of Ceylon that it is not proposed to stop immigration of Indian labour as far as estates are concerned. That is clearly a point which must make us to realise that the Sinhalese labour of Ceylon is not, at present considered as good labour for the estates now working in Ceylon.

We have been doing all sorts of things We have been sending delegations to Delhi. All this have fallen on deaf ears and if there is no likelihood of our voice being heard the only way in which we can retaliate is by either completely shutting out Jaffna tobacco and carrying on an intensive agitation even for the prevention of the import of

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Bombay piece goods into Travancore so long as Bombay and other places are not prepared to come to our rescue. It may be a difficult matter. I know that the problem has got so many complications. Interportal convention and treaties between British India and Travancore Government may make it very difficult to put these suggestions into practice. But all the same we have come to a state of absolute helplessness and the sooner we realise the position and take up the matter in all its seriousness and earnestness the better. With these words I support the motion.

MR. DOMINIC JOSEPH (*Vaikom* cum *Kottayam*): I support the motion for the adjournment of the business of the House. The honourable member has presented a strong case supported by facts and figures and has established that strong action should be taken by the Government to protect the interests of the cocoanut growers of Travancore. I shall confine myself to certain other aspects covered by the adjournment motion namely the policy of repatriation and the prohibition of the emigration of Indian labour into Ceylon. The recent mission to Ceylon appears to have failed to produce any tangible results with regard to the repatriation policy pursued by the Ceylon Government, which that Government now euphemistically discribe as the policy of retrenchment. On this side the India Government has indefinitely postponed the starting of the Trade negotiations with Ceylon and has also passed orders prohibiting emigration of Indian labour to Ceylon. This prohibition is bound to have serious repurcussion on Ceylon's Planting Industry. Because as a result of the new planting rights sanctioned by the International Committee, new plantations on a large scale are being opened up with vigour through the support of the Ceylon Goverment. It is estimated that Ceylon was short of 8000 labourers to carry on this programme and it was hoped that this labour could be recruited from South India. But by the passing of this order it has become impossible for the Ceylon Government to help this labour. In a situation like this prudence will dictate us to find out exactly the actual economic situation of the country which we have to reckon with, her strong points and her vulnerable points.

Ceylon is nearly four times as large as Travancore. Her population is nearly the same as that of this country. Ceylon is primarily a planting country, her prosperity depending upon her rich plantations. She is reputed to be the world's tea garden. She has tea covering an area of 5 lakhs and 58 thousand acres which is nearly $\frac{3}{4}$ of the total Indian acreage. She has six lakhs and 5000 acres of rubber which is nearly 5 times the rubber area of Travancore. According to the statistics published by the Imperial Economic Committee—1937, Ceylon had 14000 acres of tobacco in 1936. The value of the total export trade of Ceylon for 1937 was 30 crores and 97 lakhs of rupees while the total value of imports in the same year was 24 crores and 26 lakhs. Ninety-one per cent. of the export trade of Ceylon is accounted for by tea, rubber and cocoanut, the percentages being 55 per cent. and 21½

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[Mr. Dominic Joseph.]

per cent. 15½ per cent respectively. One notable feature of the import trade of Ceylon is that it is dependant on other countries for its food stuffs and other requirements. In 1937 she imported 5 crores and 7 lakhs of rupees worth of rice mainly from Burma, Siam and British India, and 43 lakhs of other food stuffs like vegetables, potatoes, chillies and onions from India. It is well known that the major portion of what is called the Jaffna tobacco exported from Ceylon is consumed in Travancore. These are some of the salient features of the economic position of the country which we have to reckon with.

PRESIDENT: I wish to have the views of the House as to whether we will proceed and finish the business with regard to the adjournment motion and the election and then finally adjourn for lunch even though we have to sit for half an hour or so more or adjourn at the usual time and then come back. I am willing to be bound by the wish of the House.

MR. KAINIKKARA M. PADMANABHA PILLAI: We will go and then come back.

MR. PUTHUPALLI S. KRISHNA PILLAI: I am also of that view.

MR. DOMINIC JOSEPH: Sir, Indian labour and Indian enterprise had a good deal to do in making Ceylon what she is today. The ordinary Indian labourer excelled the Sinhalee in efficiency, perseverence and dependability so much so regular propaganda was conducted in South India by Ceylon to attract the Indian labour to that Island. At present the Indian labourers in the estates alone comes to nearly 7 lakhs besides an equal number enagaged in other avocations of life. It is really unjustifiable that the people who have been at the very first stages, invited to go to that country and who have expended energy, time and labour for improving the country should be so unceremoniously asked to go back. As the cocoanut question has been dealt with in extenso by the honourable mover, I do not wish to touch that question. Therefore I wish to submit that all possible steps should be taken by this Government and strong pressure should be brought to bear upon the Government of India so that suitable action may be taken with regard to this question.

MR. M. K. NILAKANTA AIYAR: Sir, the resolution covers two points; (1) hardships and helplessness caused to Travancoreans from the dumping of Ceylon copra and the imposition of prohibitive import duties on several Travancore goods and (2) the recent ban imposed in the immigration of unskilled Indian labour into Ceylon and the disbanding of daily paid workers in Ceylon Government Service.

With regard to the first part, the dumping of Ceylon copra into Travancore, as the honourable members are aware, a deputation consisting of Dr. N. Kunjan Pillai, who was then Chief Secretary to Government, Mr. M. G. Haydon, Chairman of the Chamber of Commerce and Mr. Changanacherry K. Parameswaran Pillai, President of the Travancore Cocoanut Plantation Association was sent to Simla in May 1938 They represented to the Government of India the case for

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taking immediate action to prevent importation of cocoanut into India at depressed prices. The deputation submitted a note to the Government of India. Certain additional particulars were called for by the Government of India. A supplementary memorandum was sent up on the 1st May 1938. Certain additional particulars were still called for and a third memorandum was sent up on 10th October 1938. Subsequently when the Federation Special Officer was in Simla in connection with other matters, he was directed by the Government to discuss the matter with theCommerce Member to theGovernment of India. Matters were discussed and this Government have been assured that an opportunity will be given to Travancore to present its case during the trade negotations between India and Ceylon which are likely to take place soon.

MR. S. CHATTANATHA KARAYALAR: What has happened to the trade negotations? Are they not indefinitely postponed?

MR. M. K. NILAKANTA AIYAR: No.

The Anti-Indian agitation in Ceylon is not of recent origin. It appears to have been started more than a decade ago. In 1928 the report of the Donomere Commission on Ceylon reforms was published in Ceylon. The key note of their recommendation was adult Franchise. The Sinhalese politicians opposed adult universal suffrage and insisted on the imposition of the literary test. This was mainly intended to deny large number of Indians who were mostly labourers the benefit of the Franchise. The motion introducing the literary test was passed in the Ceylon Council by a narrow majority of three. The Donomere Commissioner's recommendation under which residence in Ceylon of any person for a period of five years could be accepted as independent qualification for registering an Indian's name as voter was disregarded and the Council by a majority adopted the Stanley scheme which prescribes as qualification for Franchise where domicile cannot be proved five years residence and a certificate of permanent settlement. How these changes operated against Indians, it is not necessary for me to deal with.

In 1930, as the result of the economic depression which threw out of employment a large number of Sinhalese working classes, another agitation was started. The number of Indians in Ceylon is estimated at eight lakhs. There is a large number of Malayalees in Ceylon the majority of whom belong to Cochin and Travancore. It is estimated that the number will be about 60,000. About 60 per cent. of these are engaged as daily labourers in Government establishments, commercial firms and factories. About 15 per cent. are engaged in independent trades as merchants. The economic depression of 1930 which had the effect of throwing out of employment a large number of Sinhalese employees did not affect the Malayalees who were allowed to retain their jobs mainly for the reason that they were much superior to the Sinhalese in point of work. This together with the simple life and the consequent better economic position of the Malayalees and the political

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[Mr. M. K. Nilakanta Aiyar]

agitation against them started by some of the selfish and interested leaders, led to indiscriminate assaults on the Malayalees and minor riots. The Agent to the Government of India interfered, and as the result, the agitation ceased for a time. But the agitation resulted to a certain extent in the employment of Malayalees being banned in certain Government departments.

In 1936, there was a move in the Ceylon State Council to stop future immigration of Indians, especially Malayalees, and a resolution was moved recommending the appointment of a Committee to consider and report upon the problem of non-Ceylonese workers in Ceylon, the idea mainly being to restrict the immigration into Ceylon of Indians and particularly the Malayalees. This lead the Malayalees in Ceylon to form a Ceylon Mahajana Sabha comprehending all Malayalam speaking people in the island The Sabha sent in their representations to this Government and the Cochin State and the Government of India were addressed both by this Government and the Cochin State.

On the 30th March 1939, a telegram was received from the Ceylon Malayalee Mahajana Sabha alleging that the Ceylon Government disbanded about 6,000 daily paid Indian labourers and proposed to disband 2,000 more from the various other departments on the pretext of affording scope for employment to local people and to repatriate them.

The bulk of the labourers in Ceylon come from Travancore and Cochin, and the return of the Travancoreans to Travancore must necessarily add to our difficulties in the matter of unemployment. Government are fully aware of the seriousness of the situation and have done and are still doing all that they can do in the matter.

PRESIDENT: Before adjourning for lunch I think it is as well that the attitude of Government should be made clear so that in any debate that takes place hereafter honourable members may have the advantage of knowing Government's policy.

In the first place, I do not think there will be any difference of opinion as regards the efficient presentation of the case that has been made by the mover of the adjournment motion. It has been the endeavour of Government to try and put themselves in the position of the people who are suffering from the disabilities and difficulties which have been, in such an effective and convincing manner, put before the House by Mr. Kainikkara Padmanabha Pillai.

The problem is not as well understood outside Travancore, Cochin and British Malabar as it might be. It is not for me to indulge in any facile criticism in regard to the working of political bodies functioning outside the State, even although they now and then attempt to function here. When we reflect over the economic difficulties and the tremendous handicaps from which over ten million people are suffering, it is no doubt rather strange to hear that it would be difficult to inaugurate conversation regarding coconuts and cocoanut products when,

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what was called, a peace mission went to Ceylon. Of course, these are matters of high policy dealt with by the premier political organisation of British India with which we in this House have very little connection. The main result of the peace mission would seem to be that it is now absolutely clear that the people of the West Coast, and of Travancore in particular, have to rely upon themselves exclusively for the solution of the problem and not rely on any one else. That is a lesson that has been borne in upon us and I trust that that lesson will not be forgotten.

The other matter is in regard to what is to be done with our cocoanuts. Evidently the Bombay Government having launched a great prohibition drive is fully aware of the difficulties of its own cocoanut and tapping problem. They have now directed the Hafkine Institute of Bombay to investigate the merits of sweet toddy. The Director of the Hafkine Institute has promptly submitted a report to the Bombay Government and one of the conclusions of the report is that sweet toddy is a drink of unexpectedly nutritive value and that it can be preserved with all its properties intact. The scheme, it is stated, if given effect to by the Government, will keep tappers employed, besides providing work for many more than those who will be unemployed when Bombay goes dry. The words which follow are instructive. "The collection and distribution of sweet toddy will be entirely under Government control." It is thus clear that confronted with the cocoanut and toddy question side by side with prohibition, the manufacture and control of sweet toddy has been chosen as a convenient and useful solution and therefore the production of sweet toddy will be a Government enterprise. There is of course the risk of sweet toddy turning into intoxicant after two or three hours, but Government will take care to avoid all such untoward results. The lesson that the Bombay Government's efforts will bring home to us is that we must also make more use of our own cocoanut trees, and if necessary, resort to tapping for sweet toddy in an even more organised fashion. It is for that reason that I am citing the example of an enlightened Government which knows how to conduct propaganda for its own cocoanuts and for the most extensive use within the State of toddy—of course I mean sweet toddy. The production of the unexpectedly nutritious sweet toddy and the promotion of its consumption in its non-intoxicating stage are matters for consideration in Travancore. But the main point is that cocoanut and cocoanut products must be more fully utilised within the State. That is the first step that has to be taken and very deliberate propaganda is necessary. Let us look at the manner in which Ceylon tea or somebody's soap or somebody's cocoa is being advertised all over the world. We must repeat such propaganda and it is up to those who are interested in the cocoanut enterprise to increase the consumption of cocoanut and cocoanut products not only within but outside the State.

The next step is the improvement of the use of cocoanut products in British India. That is another point which honourable members will bear in mind. The ideal of economic self-sufficiency and the new

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[President.]

doctrines of national self-determination and self-sufficiency have been responsible for our difficulty as well as that of Ceylon. In olden days both from Travancore and Ceylon a great deal of cocoanut oil, in addition to coir products, went to American and European markets. What Italy, France and United States of America have done is that they do not now rely upon Indian or Ceylon coccanut products or oil but exploit their own tropical plantations and colonies with the result that Travancore cocoanut oil has ceased to have a market in Marseilles France herself being very busy developing her own colonies in this respect. Ceylon, driven from markets like France, Germany, Italy and the United States had to place its cocoanuts somewhere and it chose British India. Now, there again, it was really on account of the lack of propaganda and enterprise that we have lost ground. As I have often mentioned to various persons and deputations, our market in India is still extensive and not wholly tapped. If we go to any part of Rajputana what do we find? There is no cocoanut grown there. We go to a house there, and if the owner is a religious man, in his pooja room, you can see two old and dried cocoanuts placed for being trotted out on certain religious occasions and afterwards to be put back into the pooja room. It is very difficult to get cocoanuts there. So they keep them as a kind of token or symbol. There is a great deal of propaganda by which in places like the Punjab, like Sind and Rajputana, Travancore cocoanuts and cocoanut products might be sold.

The other side of the question of course, is how to deal with this terrific competition which is facing us. Now, the figures outlined by the mover of the motion have undoubtedly reinforced an argument which has become very familiar, *viz.*, that it is not a normal transaction or an ordinary series of transactions by Ceylon, but a dumping of cocoanut products by Ceylon into British India at prices which are essentially and intrinsically uneconomic. Travancore cannot compete on these line but at the same time as I have stated earlier, it is as much our fault as of Ceylon that we do not compete as efficiently as we might even with our limited opportunities. In Ceylon, cocoanut plantations are carried on on a huge scale by great capitalists backed by the propaganda of influential British merchants, leaders of industry and leaders of journalism, some journalists being also great cocoanut planters. All their propaganda machinery and their influence are utilised in favour of their own goods. Added to it also there is this fact that, so far as Ceylon copra is concerned, Ceylon is a great purchaser of many articles from British India, notably, the products of the Bombay textile mills and the Lancashire mills. I do not wish to make any comment on this aspect beyond this, that in an essentially Indian problem where the economic future, nay, the bare economic subsistence of ten millions of Indians is concerned much enthusiasm has not been elicited or evoked from our commercial friends in Bombay, who control to a certain extent that very great political organisation, the Indian National Congress, and who help to

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keep up the prestige of one of the most solvent political institutions in the country. The reason is obvious *i. e.*, that they are keen businessmen and rely upon business maxims and business standards.

Summarising the position, let me ask, where do we find ourselves? The distress is here. We are the largest Indian producers of cocoanuts and our acreage is the largest in India, taken unit by unit. We produce on a cottage industry basis and our usual markets have come to an end New markets are difficult to be established and we are being driven to the wall and the economic life of this country is dislocated, as anybody who has to conduct the daily administration of the State knows. Now, our recourse in the circumstances is naturally to the Government of India because the import and export policy of the country as a whole is vested now, and after and if the Federation Scheme emerges, will be vested in the central machinery of the Government of India. To that Government, deputations have gone. That Government have been made aware of our economic position due to this dumping of cocoanuts. That Government know exactly where our shoe pinches and I may say this: we have today at the head of the Commerce Department of the Government of India, a Minister who does not yield to any one for the clarity of his intellect or his courage. It is not too much to hope that Sir Ramaswami Mudaliar will bring to play upon this very difficult problem, his undoubtedly great capacities. I feel sure that with him and the Finance Member at our back we might be entitled to demand all the help that the Government of India can render to a unit of the continent of India, an important economic unit of this vast sub-continent. What can the Government of India do in this matter? It is not too much to expect that they would exercise a discrimination in this matter and favour Travancore, Cochin and Malabar against Ceylon by the levy of adequate import duties against non-Indian Cocoanut products. Dumping of goods uneconomically and the selling at uneconomic prices of articles from outside are not fair trade but they are intended to bring about those results which are being inveighed against in international gathering like the League of Nations—though it is not certain when the international atmosphere of those conferences ceases to operate and other ideals do not come upon the scene. We can, therefore, expect and we have a right to expect the Indian Government to exercise, in favour of the Indian unit, a political and economic unit of no small importance, such powers as may enable them to show no undue favour, no active protection, no subsidy, and no bounty but only protection against unfair competition. That is what we hope that the Government of India will do and the strongest possible arguments have been advanced in favour of our case. The bare statement of the case and of the figures is the best argument that can be made use of. But all the possible views have been put forward in regard to this, to the Government of India and this honourable House may feel sure that no effort will be spared in regard to the pressing, pressing again and pressing a third time of the case.

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[President.]

There is another aspect of the matter. What more can we do? There has been a certain amount of misconception with regard to the increased duty on Jaffna tobacco. This particular increase of Rs. 135 to 200 is not intended, was not intended and should not be construed as either a retaliatory or a punitive procedure. A certain amount of fall in revenue had been noticed in the case of Jaffna tobacco. Jaffna tobacco produced about five lakhs two years ago and produced four lakhs last year. Therefore there was a gap of a lakh of rupees. That gap may have been due to two or three causes. It might be (*a*) due to the feeling, perhaps, in certain quarters, certain juvenile quarters, that the smoking of beedi is a more civilised way of using tobacco than the chewing of Jaffna tobacco. That it is more than a possibility is shown by the statistics of the beedi consumed. (*b*) The second causative factor, may be that people might have been converted to the view, by the propaganda carried on in many places, that chewing of tobacco is productive of certain diseases. It may be that this had some kind of reaction. (*c*) It may also be that the generation which has cultivated a taste for the peculiar curing of Jaffna tobacco is reconciling itself to the economic depression and substituting cheaper tobacco for the Jaffna variety. Whatever may be the causes, there was a gap of Rs. 1 lakh. The raising of the duty was really to fill that gap and give us about a lakh of rupees. As I have stated in the beginning of my budget remarks, this raising of the duty on Jaffna tobacco is a purely revenue measure. It is not a retaliatory measure. Now, if Ceylon will pursue the same policy of dumping cocoanuts into India and thereby starving us wholly or partially, and if, in addition, Ceylon invokes arguments on her own side for strangling and annihilating our egg trade, our vegetable trade and our dried-fish trade with her, it cannot be regarded as something particularly iniquitous and wicked if Travancore exercises its statutory and inherent power and raised this duty on Jaffna tobacco even if we lose ultimately by the process. One argument advanced is that the people affected by the raising of this duty are not responsible for what is being done in the case of cocoanuts. In other words, what is asserted is that the production of Jaffna tobacco is almost entirely in the hands of our Indian brethren from South India. Situated in one corner in what is really an island off the coast of Ceylon these people cultivate and cure the Jaffna tobacco for the purpose of their Indian brethren in Travancore. It is also pointed out to the Travancore Government that, so far from encouraging the attitude of the Ceylon Government, the Jaffna people have been protesting as hard as they can against the policy which the Ceylon Government is pursuing and it is stated that in return for all the help that they have rendered to India they have been nearly taxed out of existence. That is the argument advanced. But after all, in politics what we have to consider in the matter of taxation is the country as a whole. The question is, if the Ceylon policy is something that is openly antagonistic, that policy has to be

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tackled in a particular manner, notwithstanding individual or local hardships.

Let it be understood that all these remarks are not addressed by way of threat or bragging or that they are fulminatory in character. We want to live and to let live. So long as prohibitive and prohibitory duties are not imposed on Travancore goods by Ceylon, Ceylon goods will not be taxed. But if Ceylon resorts to taxing a particular variety of our goods we have to put similar taxations on Ceylon goods,—as a matter of self-defence, for, after all, the best form of defence may be an attack. Now, I come to the question of repatriation. The question of 6,000 or 10,000 or 20,000 people being repatriated is not of vital importance compared to the distress caused to 4 millions out of the 5 million people of our land on account of the cocoanut problem. It can be confidently asserted that out of the 5 millions, 4 millions or thereabouts must be affected vitally by this problem.

Compared with such wide distress the question of repatriation is nothing, practically nothing. No doubt it raises the very large issues of national self-respect, and of discrimination between two component parts of one great ethnic sub-group. These are matters which have to be considered from different stand-points. But from the purely economic point of view, the question of repatriation is very small. But, if it is found that Travancore citizens are subjected to inequitable measures of a retaliatory character, it might become the duty of the Travancore Government to devise methods to counteract such retaliatory measures.

I have finished. A question was raised with regard to cotton goods. It was asserted that Travancore was importing a much larger quantity of cotton goods from England and Bombay than most other places in India. It is an undoubted fact that, population for population, unit for unit, we, in Travancore, are bigger consumers of Bombay and Manchester cotton goods than most other people in India; there is no doubt that, with regard to Manchester goods, we occupy a fairly high position amongst Indians. But the question is whether the Manchester manufacturers or the British Parliament are sufficiently aware of the marketing possibilities of Travancore and will pay any attention to ur. This again should be part of our propaganda. The question whether we can press upon the Government of India the necessity of helping us at this juncture, to give to them some kind of ultimatum are matters which I do not propose to consider at this juncture. Speaking for myself and for the Travancore Government, our policy is not the policy of ultimata; our policy in these high matters is a policy of negotiation. In that light, we shall proceed; and it is hoped that, with public opinion behind us—instructed public opinion, not crude or prejudiced or ignorantly influenced public opinion—with well-directed propaganda behind us—better propaganda than what we had in the immediate past, we shall arrive at success.

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The House adjourned for lunch at 1·25 p. m., and reassembled at 2-15 P. M.

MR. K. G. GOVINDAN: Sir, Ceylon is what it is today due to Indian labour, Indian capital and Indian industry. From time immemorial, Ceylon and India have been tied together by bonds of civilisation, culture and religion. The Indian people have been emigrating to Ceylon from very early times; they have contributed to the prosperity of Ceylon to a very great extent. That cordiality between India and Ceylon has recently been almost broken by the order of the Government of Ceylon practically dismissing the Indians engaged in Ceylon Government service on daily wages. Now, about 8,000 Indians of whom a good many are Travancoreans are affected by this order of the Government of Ceylon.

Sir, one of the reasons adduced in support of this order is that they want to solve the problem of unemployment among the Sinhalese in Ceylon. I am not going to criticise the policy of the Ceylon Government; but, to me, it seems that it is not very likely that they are going to succeed in reducing unemployment there to any great extent. Sir, the majority of these Indians, who have now been dismissed, have married Sinhale women; therefore, it is not very likely that they will come back to India. Further, they have no homes in India. These people will therefore hang behind in Ceylon adding to the number of unemployed persons there.

Sir, it is gathered that the present order of dismissal of Indians earning daily wages under the Ceylon Government service is the first step in a general policy of repatriation of Indians from Ceylon launched by the Government of Ceylon. In adopting this African policy of repatriation, the Ceylon Government have gone a step further. Every Indian landing in Ceylon has first to report himself to a Police Officer, and then sign a card showing the purpose of his visit, the duration of his stay in Ceylon and his residence there. It seems they are going to pass Acts to the effect that the number of Indians employed in private factories should not exceed a certain percentage of the total employees there, and that any employer who wants to entertain more Indians should pay a heavy additional tax for every such additional Indian to be employed by him.

It has been said that this policy of repatriation will affect only the Indian employees under Government service. It can very well be seen that this policy will affect the vast number of Indians employed in the very large plantations of Ceylon, because the planter wants the help of the Government for the prosperity of his business. So, the planter would much against his will, be forced to adopt the policy of the Government in the matter of repatriation and he will be forced to send away many of the Indian coolies employed by him.

Pandit Nehru in his speech on his return to India after his recent mission to Ceylon has said that the enmity against Indians is not prevalent very much amidst the common people of Ceylon. But a very learned writer in a recent article published in the Ceylon Times has sai

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that the enmity against Indians is rampant amongst the common people in Ceylon, so much so that the shops managed by the Indians are being boycotted and that also there is the cry of "Ceylon for Ceylonese" very prevalent in Ceylon. But there is a ray of hope in this very dark atmosphere in the fact that the Government of India has already moved in the matter. Mr. Ramdas Pantulu on his return to Madras after participating in a meeting of the Immigration Committee at Simla, recently made a speech at Madras and he assured the audience there that the Government of India have already moved in the matter and also that the Government of India has sent a strongly worded despatch to the Government of Ceylon and that unless the Government of Cylon yields to the demands made by the Government of India, then the Government of India would be prepared to consider retaliatory measures against Ceylon. So, my submission is that our Government should take necessary steps to bring pressure upon the Government of India in order that they may take the necessary retaliatory measures against Ceylon.

MR. S. CHATTANATHA KARAYALAR: Sir, in supporting this motion I rise to make a few observations. The motion consists of two parts. The first part relates to the distress created by the dumping of Ceylon copra and the imposition of prohibitive import duties on several Travancore goods and the second part relates to the hardship that has been caused by the orders of the Ceylon Government recently passed repatriating Indian settlers.

Sir, so far as the first part is concerned, it needs no fresh arguments to convince this House of the acute distress that has been caused by the dumping of Ceylon copra and Ceylon products. The honourable mover of the motion has furnished this House with facts and figures to show how far Travancore has been affected by the action of Ceylon in dumping copra. I do not propose therefore to elaborate that point.

Then Sir, in regard to the distress created by the imposition of prohibitive import duties on several Travancore goods, I may remind the House that this was the subject matter of an adjournment motion about four or five years ago in this very House and this House carried that adjournment motion unanimously. As a result of that motion the Government of Travancore moved the Government of India to take very prompt and effective steps to bring about cordial relations between this Government and the Government of Ceylon by reducing the prohibitive import duties. Sir, it was then pointed out that there was a very flourishing trade between Travancore and Ceylon in respect of eggs, poultry fish and fish oil. That was a flourishing trade and that affected the economic prosperity of a very large section of Travancoreans. Sir, in spite of the fact that this House passed unanimously that motion and in spite of the fact that the matter was brought prominently to the notice of the Government of India, the state of affairs is still continuing with the result that the Travancore trade in eggs, poultry and fish and fish oil has been completely destroyed.

Now, Sir, comes the last stroke and that is the policy recently adopted by the Government of Ceylon in regard to the disbandment of

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[Mr. S. Chattanatha Karayalar.]

Indian residents and the emigration policy of the Government of Ceylon. Sir, more than the economic aspect of this particular matter, what really is of importance to us is the attitude of the Government in relation to this particular matter. That really is a matter in which the dignity and self-respect of Indians is concerned more than the question of economic advantage involved in it. Sir, this again I point out just to show how the Government of Ceylon is dealing with Travancore. First of all, they tried to dump Ceylon copra into Travancore. Secondly they tried to impose prohibitive duties on the articles which were purchased by Ceylon from Travancore. And, lastly, they have taken up the question of the treatment of Travancoreans in Ceylon. That shows Sir that they have been systematically following a very aggressive policy of hostility towards Travancore and Travancore interests. It is high time, Sir, that we take up a very definite attitude in this matter. As you rightly pointed out, Sir, the remedy lies more in our hands than in the hands of other people. We have tried our level best to impress upon the Government of India as to how hard we have been pressed and how badly we have been hit by the economic measures that have been adopted by the Ceylon Government. All these have been a cry in the wilderness. Now, Sir, we have got to take very effective steps.

In this connection, I would refer to the action of the Travancore Government taken recently in enhancing the duty on Jaffna tobacco from Rs. 135 to Rs. 200 per candy with effect from the first of July 1939. Sir, this action of our Government has been taken, as you assured us, solely for revenue purposes. But this has been interpreted in certain quarters in Ceylon as a retaliatory measure taken by this Government in regard to the policy of repatriation adopted by the Ceylon Government.

PRESIDENT: We have to consider that. The real retaliation will have to be considered later.

MR. S. CHATTANATHA KARAYALAR: But this has been interpreted in certain quarters in Ceylon as a measure of retaliation taken by this Government. But Sir, you have already assured this House and through this House the public in Ceylon that it was purely a measure of revenue and not a retaliatory measure. Supposing for one moment it were to be regarded as a retaliatory measure, is it not justifiable on our part to do it? What is it that the Ceylon Government have been doing in the past and what is the present attitude of that Government? We would be perfectly justified in taking retaliatory measures for the purpose of redressing our grievances.

PRESIDENT: If it is to be considered as a retaliatory measure, the import duty should have been fixed at Rs. 800.

MR. S. CHATTANATHA KARAYALAR: Yes, Sir, Therefore, if the attitude of Ceylon does not improve by all sorts of persuasion that are

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brought to bear on them, it will be time for us to take a definite attitude and as a retaliatory measure to enhance the duty on Jaffna tobacco to the maximum level that we can raise it to. Sir, the Government of India have indicated their attitude to us sufficiently well in regard to the question of dumping Ceylon copra and they have also in a way indicated their feeling of resentment in the matter of repatriation by their recent notification. As you said Sir, in regard to the solution of this vexed question, it is better to rely upon ourselves and take such measures as we can legitimately take and enforce them upon the perverse Ceylon Government. With these observations, I support the motion.

MR. J. W. TOLSON: Sir, I wish to associate myself with all the mover has said in support of his motion.

There is one point however I have to emphasise and that is the discrimination and injustice against the people of Travancore. I am aware that the question is partly economical but the British Empire has been the home of tolerance and freedom and I hope that it will not be long before the intense racial prejudice existing to-day will fade into the background and all races will work together not for the benefit of a minority but for the common good.

MR. N. RAMAKRISHNA PILLAI (*Vaikom* cum *Kottayam*): Sir I have very great pleasure to support the motion before the House. All the actions of Ceylon seem to be particularly, directed towards the people of the Malabar coast, especially the people of Travancore. There was a time when the Malabar coast had received preferential and cordial treatment at the hands of Ceylon. The Malayalee's preference for Jaffna tobacco is only one instance of the preferential trade relationship which Ceylon had with Malabar from time immemorial. Those days are gone and Ceylon is now bent upon striking at the very root of the sustenance of the people of Malabar. There is now dumping of Ceylon copra and other cocoanut products in Indian markets and in spite of the fact that we have been agitating for some kind of interference by the Government of India, it has not yet been possible to get any kind of relief from this unfair competition from Ceylon. Now the Travancore ryot takes more kindly to the cultivation of cocoanut trees than to the cultivation of paddy fields, for they yield better profits and are less liable to be effected by unfavourable seasons which may bring about a total failure of wet crops. The result has been an enormous extension of cocoanut cultivation throughout the Malabar coast during the last half a century. That there has been very great extension of garden lands in preference to paddy fields and the actual conversion of paddy fields into garden lands, will amply be borne out by the fact that more than 25 per cent. of the garden lands during the last settlement are actually conversions of lands entered as wet lands during the previous settlement, and that assessment have been made on the basis of their being converted dry lands. It is impossible now to cut down these trees and adopt some other kind of cultivation on these lands. By the very nature of this planting industry, it is impossible for a Travancore ryot to resort to any other system of cultivation. He

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[Mr. N. Ramakrishna Pillai.]

entirely depends on the cocoanut tree and its products. It has become almost the only source of his sustenance. It is this industry that has been ruined by the importation of cocoanuts from Ceylon. The question of repatriation of Indians is a minor matter compared to the great injury that is inflicted on the entire population of the Malabar coast especially Travancore. The harm resulting from repatriation is really insignificant when compared to the ruin that stares in the face of 10 millions of people. The Indian National Congress thought it necessary to send a plenipotentiary to negotiate with Ceylon and bring about an amicable settlement of the recent repatriation question. Though the Congress works for the welfare of the masses in India, it is surprising to us to see that they had not a single word to say in regard to the ruin of a whole population on account of this dumping of cocoanuts from Ceylor. We do not know why the Indian National Congress would not take up this question. We are not in a position to enlist British Indian public opinion in our favour. Neither are we able to move the Government of India on this matter. Though a resolution was passed a few months ago in the Indian Legislative Assembly to safeguard the interests of the Indian cocoanut cultivators no action has yet been taken by the Imperial Government. When as a matter of fact no action is taken by the Government of India or the British Indian public in regard to a matter of such vital importance to us, it is necessary to resort to whatever lies in our power to counter-act the policy pursued by Ceylon against us. Though we are not able to act in selfdefence and to meet the situation there is at least one weapon at our disposal which we can utilize. We have got the privilege of levying our own duty on Jaffna tobacco. An increase of duty on Jaffna tobacco, may not be sufficient to induce the people of Ceylon to act in any manner beneficial to the interests of this country. But it will at least serve to show how strong is the feeling we entertain against the policy pursued by Ceylon.

It is necessary to adopt retaliatory measures to show our resentment at any rate at the action of the Ceylonese people and the Ceylonese Government against us. I think representations should also be made to the Government of India until the Imperial Government realises that a large section of the population in India is being reduced to starvation on account of the failure of the India Government to take action to help them. While taking the only retaliatory act we can against Ceylon it may be possible for our Government to continue to make representations to the Government of India. I submit that if negotiations do not bear fruit we should exercise the previlege of levying the highest duty on Jaffna tobacco imported into this country. There is sufficient justification for this because on account of the recent tariff policy of Ceylon imposing heavy duties on Travancore eggs, hides and other articles imported into Ceylon our trade with Ceylon has also been completely crippled. These considerations ought to weigh with the Government and early opportunity should be taken to show our attitude in regard to the whole policy adopted by Ceylon with reference to the question of our immigrants, our cocoanut industry and our trade generally. I therefore support the motion.

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MR. PULIYOOR T. P. VELAYUDHAN PILLAI: Sir, I support the motion. During the discussion on a similar motion regarding the sanction given by the Ceylon Government to the protective tariff affecting eggs, ghee etc. exported to Ceylon from Travancore, Travancore Government stated on the floor of this House that they would do everything in their power and make a strong recommendation to the Government of India forwarding a copy of the proceedings of the House regarding that motion. But, Sir, I am not aware whether any useful result has ensued out of that attempt. Now, the serious situation caused by the policy of the Anti-Indian Drive of the Ceylon Government can well be imagined from a large number of public meetings held in and outside the State and also from the visit of Pandit Jawaharlal Nehru to Ceylon. During the discussion in the Ceylon State Council, Mr. I. X. Pereira stated that the total number of Indians employed in estates including Travancoreans comes to not less than 6½ lakhs of which, I believe about 70,000 are Travancoreans. Not contented with sending away Indians including Travancoreans employed in Ceylon Government Service I am given to understand that the Board of Ministers in Ceylon proposes to drive out all Indians engaged in private employments as well by imposing a quota system and the levy of a special tax. It is gratifying to note in this connection that even the 'Times of Ceylon' commenting on this action has emphatically protested against it. Sir, the decision of the Board of Ministers of Ceylon constitutes an attack on Indian community including a large number of Travancore employees both Government and private. If this policy is going to be given effect to, all business moralities between the employers and the employees in Ceylon will come to an end. So, I submit that it is a matter for serious consideration both for the Imperial and the Travancore Governments because this measure will affect the Indian population more than it would effect the Travancoreans. The paralysis on the cocoanut industries on account of the dumping of Ceylon copra into India continues with unabated vigour and when it is in full swing we have to fare another trouble from Ceylon. I would request the Government to take effective and strong steps to see that the life and property of the Travancoreans in the Island are safe and secure. The object with which the Anti Indian-Drive policy is going to be adopted by Ceylon Government is alleged to be for providing the Ceylonees with jobs. I have absolutely no quarrel on this account. I would ask the Ceylon Government in all Seriouness whether it is justifiable or proper to provide the Ceylonese with jobs after driving away the innocent Indian population including a large number of Travancoreans who have all along been devoting their life for increasing the prosperity of Ceylon for a pittance and who have already formed part and parcel of the Ceylon's population. This policy is against all the known cannon of business morality. Hence I have my great pleasure to support the motion so ably moved by my friend Mr. Kainikkara Padmanabha Pillai.

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MR. M. SIVATHANU PILLAI (*Tovala* cum *Agastisvaram*): Sir, I too want to make a few observation on this motion by way of supporting it. The motion before the House deals with the continuously increasing strained relationship between the Travancore State and Ceylon. Honourable Member, Mr. Kainikara Padmanabha Pillai who moved the motion was able to picture to us the steady and wanton and at the same time iniquitous steps persistently taken up by the Ceylon Government against Travancore by means of dumping their copra products here as well as in British India, and by the levy of an unjustifiable and iniquitous imports duty on Travancore articles such as eggs, dried fish etc. Now as matters have reached to such a pitch we are forced to stop for a moment and inquire how to get over this difficulty. What is the present position of Travancore? It is a component part of the British Empire as Mr. Tolson said, equally so is the Island of Ceylon, as also the British Indian Provinces. Sometime back when there was a veritable onslaught on Indians as a race in Burma, a great stir was caused in British India, so much so, our neighbouring British province of Madras agitated and tried its best to ease the situation and make Burma realise that Indians have both a place in their mother country as well as in Burma. That was the attitude taken by the provincial governments in respect of Burma's (anti-Indian-drive). It has been very often repeated in the course of advancing arguments to interfere in the States for the political advancements of the (State subjects) that there is no natural barrier between British India and Indian States. If at all there is any barrier it is only an artificial barrier. Further it is also said that there is a continuous flow in and flow out so much so, the woes of the British Indian people are our woes and vice versa. And so, it is their duty to interfere in this matter of political advancement of the States. Thus say the leaders of the great political party namely the National Congress. I ask that political body, the Indian National Congress, the leaders of that political body what is their present attitude in respect of this question of Ceylon dumping of cocoanut products to the ruin of Travancore. Is it because that this is an economic problem or is it because that their relationship with us is only political that they keep silent and Pandit Nehru brushed aside the self-imposed cocoanut emissary of Travancore who, in the name of Ghandi-jis relation by marriage, recently approached Panditji at Colombo. That is all sham, Sir. The pity of it is, and I am rather ashamed to say that our people go to such people for the attainment of their political salvation.

PRESIDENT: The honourable member will confine his remarks to the topic of the motion.

MR. M. SIVATHANU PILLAI: The honourable member the mover wound up his remarks by saying that you, Sir, should give, in this critical juncture words of assurance and words of consolation and of hope. Accordingly I saw, in your remarks as the head of the administration, words of assurance and of hope. You also referred to the apparition of the interportal convention. Now, Sir, that is a convention, and the convention is interportal. Is there no way out of this,

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as it is only convention. And it is well at this juncture to remember what His Excellency said in reply to the toast given by the Governor of Orissa Province. This is what he said: "That this is a time when there should be perfect harmony between the Indian States and the neighbouring provinces and there should not be any dissonance." But the relationship which now exists between Travancore and Ceylon is rather much strained and it is nothing but dissonance and disharmony. It is really a matter of shame to be told that one of our representatives who was deputed to present our case to the India Government with regard to the dumping of Ceylon copra betrayed us by saying that Travancore Government should abolish export duty on copra. We were thinking all along that the Government of India would come to our rescue and the recent words of His Excellency the Viceroy will be given effect to, by active steps takes by India Government. But as yet there is no prospect of any relief from Ceylon copra, for Travancore.

Sir, the only remedy that I can suggest is propaganda as you suggested. Propaganda work I say must be immediately started in our State itself. In this connection I may ask the honourable members to ponder seriously over the situation. The help sought from British India is not forthcoming and there is no visible sympathy from them. We have estranged their sympathy by our short sighted clamour of "Travancore for Travancoreans." Recently while presiding over a meeting in Tinneveli District I was confronted with a question this way. "If you, Travancoreans can treat us, as foreigners only should we treat you as of ours. Why should you ask us help". That question I did not answer because I could not. In this connection, I am reminded of the desperate and reckless but true answer given by the Pro-Vice-Chancellor to a question. He said that, after 30 or 40 years stay and service in this land that he is not reckoned as a Travancorean. Then it is no wonder to see that the people of our neighbouring province looking at us with ridicule when we need their help. Let us treat others, our neighbours, as we would wish to be. Of course, our Government have tried their best in strongly presenting our case before the Government of India. As the leader of the Peoples' Party suggested that at least for the tribute that we pay to the British Government they ought to come to our rescue though not in the form of military help. Sir, we are justified in imposing a duty on an article coming from a neighbouring province as Ceylon if they think it fit to do the same with regard to our articles. Let it be a measure of retaliation. Why should our Government profess that it is a matter of revenue to have enhanced the import duty on Jaffna tobacco and not retaliation. Let that import duty be brought up to the level in British India. Instead of Rs. 200 let it be the same as in British India Rs. 1000 and odd. Let us retaliate. There is all the moral sanction for it. We need not mind it. And my view of the matter is that Government ought to have done this long ago. The honourable members of this House have a duty to augment what our Government have done by way of imposing a higher duty on Jaffna tobacco. They

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[Mr. M. Sivathanu Pillai.]

must give their moral support to what the Government have done. I ask whether it is not justifiable on our part to organise a hurricane campaign of boycott of Ceylon articles. Why not we ask our own people here not to use their Copra though it is cheap and tell them that it is poisonous. In British India they have tried this method of boycott against British goods and found successful. Then why not we do it. Let us conduct a campaign to boycott all the Ceylon goods that are dumped here.

Now, I come to the question of repatriation. This problem has wounded our self-respect. It is true that Pandit Jawaharlal Nehru has gone over to Ceylon and let us hope that his mission will be succesful. At any rate we should not keep quiet.

The Government of India was watching the result of Pandit Nehru's negotiations with the Ceylon ministry on the subject of this repatriation question. It was a well advised move on the part of Government of India. Now for some weighty and justifiable reasons the Government of India have come out with a notification prohibiting Indian emigration to Ceylon. Let us watch its effect on the Ceylon Government and on the Ceylon planters. I do not know, Sir, whether this Government of India notification banning emigration to Ceylon, covers Travancoreans.

PRESIDENT: Yes.

MR. M. SIVATHANU PILLAI: According to the repatriation policy as explained by the Ceylon authorities persons repatriated will get their fare back to their homes and retirement bonus. That is intended as an inducement. Well, Sir, if Indians are returning home let them not be accompanied by Ceylonese women or children born to them whether legitimate or illegitimate. I wish that our Government might suggest to the India Government and persuade them to add a clause in the notification prohibiting Ceylonese relations to Indians as wives or children of Ceylon nationality, from accompanying and entering India with repatriated Indians.

PRESIDENT: What is the point?

MR. M. SIVATHANU PILLAI: The point is this. In that repatriation policy recently explained by the Governor of Ceylon there were twelve points. One of the points in that policy is this that if a non-Ceylonee, who has been found to have married a Ceylon woman, then he will not be affected by this repatriation. There is another point which exempts a non-Ceylonee from this scheme who has got registered his name as father of a legitimate Ceylonese child, in Ceylon. Thirdly a non-Ceylonee person whose spouse is employed in the Ceylon Government service is also left out from the scope of this repatriation policy. Supposing we offer inducement to the non-Ceylonese men as referred just now to return to India and shut out all their Ceylonese wives and children born to them legitimately or illegitimately, and their Ceylonese spouses from accompanying their Indian husbands and

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fathers it will serve as an eye opener and carry home to them the conviction that this absurdity cannot be practised at length. If they can effectively shut out from their country our men why could we not shut our doors against the Ceylonese women, children and spouses howsoever faithful they might be to their Indian husbands, and fathers etc. who may be compelled to leave them. It is a pertinent question to be brought home to the Government of India so as to make this an adjunct to that notification, *viz.*, that no Ceylonese can be permitted, howsoever faithful she be to accompany her husband (Indian of course) who may be the father of children born legitimately or illegitimately when such Indians also should be indirectly induced or compelled to return to India.

PRESIDENT: The honourable member might bring his remarks to a close.

MR. M. SIVATHANU PILLAI: In other words, it is one form of effective retaliation, Sir this discrimination in Ceylon reminds me of a discrimination adopted by our Government. I know that very recently there were appointments made by our Government with a condition that when qualified Travancoreans become available all non-Travancoreans so appointed should vacate. It warned the non-Travancoreans at the time of employment that they had to vacate their places in Government service when duly qualified Travancoreans become available. It is true that several non-Travancoreans were appointed and some justification weighed with Government in doing so, But subsequently our Government feeling such discrimination is bad morals revised the order and retained those non-Travancoreans in service. (Bell).

MR. KAINIKKARA M. PADMANABHA PILLAI: Sir, I must certainly thank the Dewan President for the encouraging reply that he gave us explaining the position of the Government in the problems concerning us. I fully perceive the grace of your statement, namely, the attitude that we have to take is not one of issuing ultimatums, but one of negotiations. The Travancore Government for the last several years have been following that policy and if you believe that that policy can still be continued with benefit, certainly the House must give you time to try and convince yourself of the actual results of the policy.

Sir, I have brought this motion to this House and the non-official members have been supporting it for the single reason that we have become hopeless. If Government still believe that they require time and that the negotiations might ultimately end in success, we are prepared to wait and see the result. I am sure that the Ceylon Government are not going to leave us here. They began with copra. They continued it through imposition of prohibitive import duties and now the prohibition has been extended to human beings. Therefore, Ibelieve, that their creative genius will give rise to greater troubles so that it is only fair that this suspension is some how put to an end. We want to know whether the Government of India will come to help us and whether the Travancore Government will do its duty. With these words, I beg leave to withdraw the motion.

The motion, by leave, was withdrawn.

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PRESIDENT : The business of the House being over, the election of two members to the Public Accounts Committee, two members to the Standing Finance Committee, one member to the Board of Agriculture and four members to the P. W. D. Committee, will now take place.

MR. KOTTALIL P. ABRAHAM : Sir, regarding the election of members to the P. W. D. Advisory Committee I wish to make a suggestion. This House is to elect four members to that Committee. We have got three revenue Divisions in the State, namely, Trivandrum, Quilon and Kottayam. It will be convenient and expedient to have the election to the Committee conducted in such a way as to enable each of those 3 Divisions to get at least one member in the Committee from among the members of this House who represent places or taluks within the particular Division.

PRESIDENT : I understand that the honourable member's suggestion is that in the course of election a convention should be established that all the organised parties should be adequately represented. I am sure that the good sense of the honourable House will be exercised with due advertance to these principles because, I am sure the sense of equity will prevail in the House.

The House will now adjourn and meet again at eleven of the clock, tommorrow morning.

The House adjourned at 3-11 P. M.

A. GUNAMONY,
Secretary to the Sri Mulam Assembly.

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